

No Securities Commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

PROBE MINES LIMITED

(Incorporated under the laws of the Province of Ontario)

Head Office: 25 Adelaide Street West, Toronto, Ontario

NEW ISSUE:

OFFERING 750,000 COMMON SHARES PAR VALUE \$1.00

	Maximum Price to Public	Maximum Underwriting Discount	Proceeds to the Company
Per Share (a)	25¢	10¢	15¢
Total (a)	\$125,000	\$50,000	\$75,000
Per Share (b)	30¢	10¢	20¢
Total (b)	\$75,000	\$25,000	\$50,000

(a) 500,000 shares are underwritten by Annett Partners Limited, 11 King Street West, Toronto, Ontario ("the Underwriter-Optionee") acting on behalf of Alness Investments Limited, 121 Richmond Street West, Toronto, Ontario ("the client"), and the amount as indicated in Column 3 will be received by the Company.

(b) 250,000 shares are under option to the Underwriter-Optionee and the amount indicated in Column 3 will be received by the Company only to the extent that the option is exercised.

The shares offered hereunder will be offered by the Underwriter-Optionee on behalf of its client, to the public in the Province of Ontario, at the market price prevailing from time to time and not to exceed the maximum price to the public set out in the above table.

The Underwriter-Optionee may also sell, at a price at or below the market, part of the underwritten or optioned shares purchased by it to other registered security dealers acting as principals, but shares so acquired by them whether derived from underwritten or optioned shares, will not be sold at prices in excess of the respective maximum offering prices set forth above.

The Underwriter-Optionee will offer shares for sale through registered security dealers who may be appointed as agents from time to time and who will be paid commissions not exceeding 25% of the selling price of such shares.

The client may be said to realize a gross profit in an amount equal to the difference between the sale price to the public of the shares offered hereunder and the underwriting and option prices as set out under the heading "Offering".

THERE IS NO MARKET FOR THE SECURITIES OFFERED

The purpose of the offering is to provide funds to finance exploration and development programmes as recommended by its consulting engineer and for ordinary operating expenses, all as described under headings "Business and Property" and "Use of Proceeds".

THE SECURITIES OFFERED ARE SPECULATIVE

Reference is made to Page 9 for particulars

REGISTRAR AND TRANSFER AGENT

Crown Trust Company,
302 Bay Street,
Toronto, Ontario.

PROSPECTUS DATED — JANUARY 6, 1969

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THE COMPANY

Probe Mines Limited, (hereinafter sometimes called "the Company") was incorporated under the Ontario Companies Act by Letters Patent dated October 17th, 1933 as Goodfish Mining Company Limited. After incorporation Supplementary Letters Patent were issued from time to time changing the capital and name of the Company. By Supplementary Letters Patent dated March 4th, 1965 the name of the Company was changed to Probe Mines Limited and the authorized capital of the Company was changed to 5,000,000 shares with a par value of \$1.00 each. There are 2,856,889 shares presently issued and outstanding.

The Company's head office is at 25 Adelaide Street West, Toronto, Ontario.

BUSINESS AND PROPERTIES

The Company is a mining and exploration company. The exploration activities carried on and intended to be carried on by the Company, and the general development of such activities within the five preceding years, is summarized as follows:—

Dubuisson Township, P.Q.

The gold property of Probe Mines Limited comprises 10 mining claims being Development Licence G-9958 claims 1 to 4 inclusive (September 29, 1969), Development Licence 181493 claims 1 to 3 inclusive (February 11, 1969), Development Licence 228001 claims 1 and 2, and Development Licence 229660 claim 1 (September 1, 1969) totalling 306 acres in Dubuisson Township, County of Abitibi East, Province of Quebec. Nine of the ten claims are contiguous. Titles to the claims are in good standing until the date noted after the respective licences when renewals must be applied for. Renewal under the Mining Act of Quebec requires \$10 per licence and 75¢ per acre applied for. Under the said Act work required to be performed in each year for each acre or fraction thereof is the equivalent of 5 hours of manual labour. There is an excess work credit of 353,429 hours on licence 181493 which can also be applied to licences 228001 and 229660.

The Val d'Or — Noranda branch of the Canadian National Railways and Highway 59, both pass through the north part of the property, on the east bank of the Thompson River, 4 miles west of the town of Val d'Or.

Fresh water and hydro-electric power are available on the property. Labour and supplies are readily obtainable in the immediate area.

Previous to 1952, a minor amount of trenching and at least 6 drill holes were put down by former owners. From 1952 to 1956, V. Lemire of Timmins drilled 4 holes totalling 675 feet. By Agreement dated February 22, 1963, Cusco Mines (the predecessor Company) acquired the Dubuisson Township properties from Lorne K. Smith of Port Credit, Ontario, for the sum of \$11,000 which amount was paid. To the knowledge of the signatories hereto, Mr. Smith was the only person who received more than 5% interest in the consideration. Cusco Mines Limited drilled 46 holes totalling 37,541 feet. Probe Mines Limited, successor to Cusco Mines Limited as of March 1965, drilled, between April 8, 1965 and April 18, 1966, a further 23 holes totalling 24,720 feet. In the same period a magnetometer survey and surface geological mapping were completed; also, the claim boundaries, drill holes, and chief surface and topographic features were precisely surveyed and mapped. Except as noted above, no further work has been carried out on the property until early in September, 1968, when Malartic Gold Fields (Quebec) Limited commenced further diamond drilling, (particulars of which drilling are set out herein).

The chief gold-bearing formation is a dyke of Pre-Cambrian igneous rock, from 300 to 800 feet wide at the surface, extending steeply downward at from 70 degrees to vertical. It strikes northwesterly across the entire property, over a length of about 3,000 feet.

Most of the drilling in 1963, and 9 holes totalling 7,926 feet in 1965, cross-sectioned 900 feet of the strike-length of the gold-bearing dyke at its WEST END. Core sections have not been correlated to permit estimation of potential tons and grade, but 15 holes cut 22 sections within a length of 385 feet, at 50 to 100-foot intervals, to 500 feet vertically below surface. The average grade of these 22 core sections was 0.50 ounce gold per ton, over an average width of 7.4 feet.

Of the remainder of the 1965-1966 drilling, 13 holes totalling 15,604 feet, cross-sectioned the gold-bearing dyke at 100-foot intervals for 600 feet of strike length, just west of the EAST END of the property. Detailed correlation of the gold-bearing core sections were estimated, to indicate the potential tons and grade of gold content in the area drilled, to a depth of 1,200 feet, alternately at: 675,924 tons with a weighted average grade of 0.379 ounce gold per ton, with an average true width of 7.4 feet; or 1,487,973 tons with a weighted average grade of 0.223 ounce gold per ton, with an average true width of 10.5 feet. An arbitrary cut of individual core assays exceeding 1.0 ounce gold per ton, resulted in respective calculated weighted average grades of 0.264 ounce and 0.169 ounce gold per ton.

Between the WEST END and the EAST END of the gold-bearing dyke which have been drilled, there remains 1,500 feet of continuous strike-length of the dyke which warrants further drilling, in the light of drill results to date.

Studies in 1966 showed that possible utilization of available open capacity at the Malartic Gold Fields mill, only 8 miles west of the property via Highway 59, could make economically feasible, the underground mining of the above-estimated tons and grade. The Company's consultant therefore recommended underground development and exploration, to conclusively assess the tons and grade indicated possible by the drilling completed in 1966, this to be preceded by 5,000 to 6,000 feet of further surface drilling to fill in some gaps in the existing drill sections, and to pilot planning of underground work. This drilling is being currently carried out by Malartic Gold Fields (Quebec) Limited.

All of the foregoing information under this heading has been summarized from a report dated December 18, 1968 prepared by A. S. Bayne, P.Eng., a copy of which is on file with the Ontario Securities Commission and is available for public inspection.

By a special resolution dated August 14th, 1968 and approved by the shareholders of the Company on October 8th, 1968, the Company entered into an agreement dated August 15th, 1968 with Malartic Gold Fields (Quebec) Limited (no personal liability) ("Malartic") whereby Malartic was given the right to examine the Company's properties in Dubuison Township, Quebec provided that prior to December 31st, 1968 Malartic expended a minimum amount of \$30,000.00 on diamond drilling and exploration work (Stage 1). The foregoing date of December 31st, 1968 is subject to extension by one month for each two weeks delay in obtaining the approval of the Company's shareholders after August 30th, 1968. The extended date is March 24th, 1969.

In consideration of Malartic agreeing to undertake the investigation examination (Stage 1) on the Company's properties, and to expend up to \$30,000 of its own funds on such examination, the Company agreed to reimburse Malartic by issuing and allotting 150,000 shares of its capital stock, such shares to be allotted and issued as fully paid and non-assessable and free from escrow. Malartic subsequently held the \$30,000 in trust for the purpose of completing the said work, and the Company has issued the 150,000 shares herein beforementioned. The foregoing 150,000 shares are the only shares to be issued by Probe Mines Limited under the said Agreement.

Subject to the work required to be done by Malartic to complete Stage 1 on or before the 24th day of March, 1969, Malartic has the right to notify the Company in writing that it will commit itself to expend a further minimum amount of \$80,000 on additional exploration and development work prior to March 24th, 1970 (Stage II).

On completion of Stage II, Malartic has the right on or before the 24th day of March, 1970 by notice in writing to the Company to commit itself to expend a further minimum amount of \$200,000. in development work prior to the 24th day of March, 1971 (Stage III).

If Malartic has fully satisfied the commitments and completed the work of Stages I, II and III and desires to retain a further interest in the property and undertake to commit itself to finance and bring the property to production upon a commercial scale of not less than 300 tons per day on or before the 24th day of March, 1973, then Malartic may at its option on or before the 24th day of March, 1971 notify the Company in writing of its election to proceed and commit itself accordingly. In the event that Malartic so notifies the Company, it shall be bound to bring the property into production on or before the 24th day of March, 1973 and to erect on the property a mining plant capable of handling a minimum of 300 tons of ore per day. Malartic shall retain the right at any time after it has notified the Company that it would proceed, to put the property into production, in its sole discretion, that it is of the opinion for any reason whatsoever, that it would not be economical to bring the property into production at the rate of not less than 300 tons per day on or before March 24th, 1973, give notice to the Company and to the new company hereinafter referred to, that it will not bring the property into production and in such event all right, title and interest in and to the property and income debentures of the new company hereinafter referred to, and in and to the said new company shall be transferred to the Company.

Subject to Malartic committing itself to bring the property to production on the basis of 300 tons per day, Malartic shall cause the new company to be incorporated and the Company has agreed to transfer the title to the properties to the new company. Subject to the terms of the agreement the new company will be owned as to 50% interest each by the Company and Malartic. The board of directors of the new company will consist of 5 directors of whom Malartic shall have the right to nominate 3 directors and the Company 2 directors.

Malartic and the Company shall cause the new company to pay Malartic, out of the 75% of the cash flow of the new company, all moneys expended or advanced by Malartic after the completion of Stage I in connection with the prospecting, exploration and development of the Company's property and in bringing it into production together with interest at the rate of 8% thereon. As security for the repayment of such moneys, Malartic will receive 8% income debentures of the new company, maturing 10 years after the issue thereof; such income debenture will provide for a charge on all the ore, buildings, equipment, fixtures and chattels of the new company located on the surface of the property or below the surface thereof.

On or before the acquisition of the property by the new company, Malartic will furnish the new company with its undertaking to advance the new company sufficient moneys to bring the property into commercial production on a scale and terms specified in its commitment notice to Probe, together with its agreement to receive from the new company and to process ores of the new company at an annual rate which averages not less than 300 tons per working day. Malartic agrees that it will cause the ore taken from the property to be milled at a custom mill for

\$1.75 per ton of ore milled plus an amount per ton which is equal to \$1.75 times the average of the percentage increase in the cost of power and the percentage increase in the cost of labour used in the milling of such ore, which takes place at any time after August, 15, 1968. The aforesaid charge for milling will apply for a period of five years from the date the first ore from the mining lands is milled and thereafter the milling charge will be as agreed upon by the parties from time to time. The said undertaking of Malartic to the new company shall require the provision of the appropriate treatment capacity not later than March 25th, 1973 unless extended by the Company in writing.

Malartic and the company have agreed to cause the new company to enter into a management agreement with Malartic forthwith after the incorporation of the new company whereby it will be agreed that Malartic will manage the new company for the economic life of any mine or mines developed on the property or until Malartic shall be the beneficial owner of less than 50% of the shares of the new company whichever shall first occur, at a fee to be determined in the sole discretion of Malartic but not to exceed \$2,000.00 per month. The said management fee will include head office expenses.

The agreement also provides that the parties have the right to participate in all future financing of the new company in proportion to their respective interests therein. In addition, the Company and Malartic both have the 60 day right of first refusal on the other shares of the new company in the event either party wishes to dispose of same during a period of five years following the incorporation of the new company.

The Company has been advised by Malartic that 4,703 feet have been drilled on the company's property in Dubuisson Township, Quebec, under the foregoing programme:

Hole 68-24 on section 5, 500 feet west of the east boundary, to a depth of 1340 feet.

Hole 65-15 on the same section was deepened from 825 to 1365 feet, a distance of 540 feet.

Hole 68-25 on section 6, 600 feet west of the east boundary, to a depth of 1432 feet.

Hole 68-26 on section 4, 400 feet west of the east boundary, to a depth of 1391 feet as of December 31st, 1968 and continued further in 1969.

and that the following values in gold, ounces per ton were reported:

<u>Hole No.</u>	<u>From</u>	<u>To</u>	<u>Core Length</u>	<u>Oz/Ton</u>
68-24	855.0	857.0	2.0 feet	0.38
65-15	849.5	853.5	4.0	0.26
	897.5	900.5	3.0	0.20
	1107.0	1127.5	20.5	0.26
	1275.0	1280.0	5.0	0.14
68-25	778.0	790.0	12.0	0.21
	800.0	809.5	9.5	0.08
68-26	411.0	419.5	8.5	0.14
	430.0	435.0	5.0	0.21
	467.5	472.5	5.0	0.65
	503.5	509.0	5.5	0.18
	551.5	554.0	2.5	1.62
	594.0	603.0	9.0	0.14
	725.0	733.5	8.5	1.07
	868.0	870.5	2.5	0.41
	994.5	998.5	4.0	0.13
	1025.0	1030.0	5.0	0.22
	1041.0	1061.0	20.0	0.23
	1063.0	1065.0	2.0	0.13
	1077.5	1080.0	2.5	0.20
	1145.0	1150.0	5.0	0.16

Hole No.	From	To	Core Length	Oz/Ton	
68-26	1177.0	1181.0	4.0 feet	0.10	.23/6.5
	1181.0	1183.5	2.5	0.43	
	1232.0	1235.0	3.0	0.70	
	1235.0	1238.0	3.0	0.34	.42/8.5
	1238.0	1240.5	2.5	0.19	
	1250.0	1255.0	5.0	1.07	
	1255.0	1259.0	4.0	0.07	.57/14.0
	1259.0	1264.0	5.0	0.48	
	1282.0	1286.0	4.0	0.12	
	1325.0	1328.5	3.5	0.09	.20/10.0
	1328.5	1332.5	4.0	0.16	
	1332.5	1335.0	2.5	0.43	
	1347.5	1350.0	2.5	0.13	
	1375.0	1377.0	2.0	0.27	

The Company is advised that all values reported are uncut.

It will be necessary to conduct correlative studies of the foregoing assays to determine their effect on the Company's consultants previous assessment of the drilling completed prior to the current Malartic programme. The work presently being conducted on the Dubuison Township property is designed to assess the commercial potential of the property. To date the work has not progressed to the point where the Company is able to determine whether a commercial body of ore exists on the property.

Kidd Township, Ontario

In 1964, the Company acquired 4 contiguous unpatented mining claims totalling 160 acres in Kidd Township, Porcupine Mining Division, Ontario, being claim numbers P67469-72 inclusive from Redge Investments Limited for a consideration of \$50,000 cash plus 300,000 treasury shares of the capital stock of the Company as constituted prior to a consolidation of the shares of the Company in March, 1965, on the basis of one new share for each four shares held. These properties are located approximately 30 miles north of the Town of Timmins. Access to the property is most convenient by helicopter. During 1964 the Company spent approximately \$8,000 on electromagnetic and geological surveys and the drilling of a 700 foot hole in the southwest section of the property. Based on the results of the foregoing work the Company's engineer recommended that no further work be conducted on the property but that the claims be held in good standing pending results of work in the adjacent areas. There is no underground or surface plant and equipment on the property. The property is without a known body of commercial ore. On the basis of work filed the property is in good standing till August 14th, 1969 provided an additional 11.5 hours of work is performed on such date.

Semple Township, Ontario

In 1967, the Company acquired from Murdo C. McLeod, 1105 Council Way S.W., Calgary, Alberta, the promoter of the Company, for the cost of \$1.00, a 50% interest in 10 contiguous, unpatented mining claims numbers MR46859 to MR46868 inclusive in the southeast sector of Semple Township, Montreal River Mining Division, Province of Ontario. Mr. McLeod retains the other 50% interest in the said claims. At no cost to the Company Mr. McLeod conducted a programme of exploration and development work including approximately 467 feet of diamond drilling. The cost of the programme including assays amounted to approximately \$5,500.00 all of which was borne by Mr. McLeod. The assays for copper and nickel returned nil values and further work was discontinued. The claims are in good standing until February 27, 1969. There is no underground or surface plant and equipment on the property. The property is without a known body of commercial ore. On the basis of work filed the property is in good standing till February 27, 1970 providing an additional 20 hours of work is performed by such date. If the Company, based on the advice of its consultant, resolved to perform work on these claims while the Company's shares are in primary distribution, an amendment to this prospectus will be filed to reflect the proposed work.

Joan Township, Ontario

In 1965, the Company acquired 12 unpatented mining claims in Joan Township, Ontario from Myteque Mines Limited for a consideration of 450,000 treasury shares of the capital stock of the Company as presently constituted. All the foregoing shares were placed in escrow and were subsequently released from escrow with the consent of the Toronto Stock Exchange. The claims were subsequently dropped, no work having been done on them.

Alberta — British Columbia Properties

By an agreement dated September 28th, 1968 the Company proposes to acquire from Mountain Gypsum Limited, Calgary, Alberta, a private Company incorporated under the laws of the Province of Alberta, five mineral claims named Cristo Nos. 1 to 5 inclusive and numbered 24374 to 24378 inclusive, ("the Cristo claims") located on the British Columbia-Alberta border, in consideration of the allotment and issue by the Company of 500,000 treasury shares of the capital stock of the Company all of which shall be subject to escrow and a voting trust as hereinafter set out. The annual work requirement on the claims is \$100 per claim or the equivalent in work under the appropriate Mining Act. The claims are in good standing till March 28, 1969. There is no underground or surface plant or equipment on the claims.

Originally 13 claims were staked in March 1961 on behalf of Mr. M. C. McLeod the promoter of the Company. The claims were transferred to Mountain Gypsum Limited in 1961; 8 of the claims have since been abandoned and five are held in trust by M. C. McLeod for Mountain Gypsum Limited. An additional acreage of approximately 154 acres has been leased for 21 years from December 13, 1968 to Mountain Gypsum Limited by the Province of Alberta at a minimum yearly royalty of \$1.25 per acre. This lease will also be assigned to the Company at no extra cost.

The following is a summary of a report dated December 3rd, 1968, prepared by F. C. Knight, B.Sc., P.Eng., a copy of which has been filed with the Ontario Securities Commission and is available for public inspection.

The claims are situated at an elevation of some 6,500 to 7,000 feet above sea level. They are recorded in the Province of British Columbia. The original staking located these claims in British Columbia adjacent to the common boundary with Alberta at 52° -16' North latitude and 119° -53' West longitude. A recent land survey indicates that much of the acreage is in fact located in Alberta, and as a consequence an application was made as set out below, to the Alberta Department of Mines and Minerals for a Quarry Lease to obtain ownership to the remainder of the desirable acreage.

Ground transport is available from two areas. The first is at Loos, British Columbia, some 40 miles to the west at the junction of Forgetmenot Creek with the Fraser River. Here the Canadian National Railway's line follows the south shore of the Fraser River connecting with Prince George to the west and Jasper and Edmonton to the east. The elevation at Loos is 2,162 feet above sea level. The second is at mileage 106 on the Alberta Resources Railroad where it crosses the Smoky River approximately 32 miles east, northeast of the claim group.

During 1967, Domtar Construction Materials Limited acquired exploration rights from The Department of Mines and Minerals, Alberta covering Township 55, Range 13, west of the 6th Meridian in Alberta, and also staked the Feather claims adjoining to the west in British Columbia to cover a portion of the deposit on which the Mountain Gypsum Limited claims are located, Domtar completed an unstated amount of drilling and were able to place certain tonnages in the drill indicated category.

Recently, the Cristo claims have been surveyed and it would now appear that parts of the acreage included in the Feather Group actually overlie the original Cristo claims 1, 2, 4 and 5. Therefore it is possible that some drilling may actually have been completed on the Cristo claims of Mountain Gypsum Limited. Mountain Gypsum Limited has filed application with Alberta Department of Mines and Minerals for a Quarry Lease covering approximately the east half of section 20, Township 55, Range 13, west of the 6th Meridian, which it is believed will cover the remainder of the deposit, not held at this time. The Quarry Lease has been executed under date of December 13th, 1968.

The principal exposure of gypsum is reported to extend 3,000 feet in a northwesterly direction and more than 500 feet in a northeasterly direction on the Cristo claims. Sink holes are in evidence for an additional 3,000 feet to the north and a mile to the east. Cross sections of these indicate the presence of a minimum thickness of 50 feet of gypsum.

Four separate beds are reported locally, as follows:

Bed	Est. Thickness
A	30 feet
B	24 feet
C	30 feet
D	10 feet

No estimates have been prepared but the tonnage potential appears to be substantial, possibly several million tons.

The gypsum is considered to be of high purity, good white color and of uniform quality throughout. A series of eight specimens taken from beds A, B and C were analyzed by the Research Council of Alberta and the following extreme limits of results were reported:

Specimen Analysis	Theoretical Composition of Gypsum
CaO 32.52% - 32.90%	32.57%
SO3 44.60% - 46.03%	46.50%
H2O 19.90% - 20.53%	20.93%

No anhydrite has been observed in the deposits.

There is no appreciable production of gypsum in the Province of Alberta or Saskatchewan at the present time. These areas are supplied from production in the Provinces of British Columbia and Manitoba.

The potential market area or area of influence for material from the location of the Mountain Gypsum Limited property might be considered as Northeastern British Columbia, Northern Alberta and Northwestern Saskatchewan.

Gypsum, a hydrous calcium sulphate, is used primarily in the manufacture of plaster and plaster products, wallboard and cement in the area under consideration.

The current annual consumption of gypsum in Alberta is about 125,000 tons and appears to be increasing at a rate of about 5,000 tons per annum. Some 35,000 - 40,000 tons of this total amount is used in the production of cement. The bulk of the balance finds application in the manufacture of plaster and wallboard.

Raw gypsum and most of its manufactured products have a high weight/value ratio. Therefore, it is necessary to locate the source of supply and manufacturing units as close as possible to the potential market, or provide access to low cost transportation.

The subject deposit is situated some 40 miles from railroad at Loos, British Columbia and 32 miles from the Alberta Resources Railway which connects with the Canadian National Railways line between Jasper and Hinton, Alberta.

Production costs exclusive of transportation should be competitive with other gypsum production in Western Canada. Present supplies provide gypsum in Edmonton at approximately \$10.00 to \$11.00 per ton. Any proposed production from the deposit of Mountain Gypsum Ltd. must compete pricewise with this present source of supply.

The deposit may have some future value as a source of raw material for a complex industry producing sulphur, sulphuric acid, cement and by-products provided exploratory work indicates the presence of a deposit of sufficient magnitude, and provided the outcome of a feasibility study on such procedure indicates favourable economics.

The Company's consultant has concluded that the Cristo claim group and adjacent acreage in Alberta leased under the aforesaid Quarry Lease contains a gypsum deposit of apparent size and high quality. The gypsum bed is exposed at surface for a considerable area and in part it possibly may be removed by low cost surface stripping or open pit procedures.

Acceptable ground transportation for bulk products is lacking in the immediate vicinity of the deposit at this time.

The deposit is considered to have a future economic worth as a supplier of quality gypsum into northern Alberta and adjacent areas. It could well become a major supplier at such time as transportation facilities are available and the market potential for the product improves with increased population and the development of industrial facilities. It could also be a source of raw material for an integrated industrial complex producing sulphur, sulphuric acid, cement and associated by-products if sufficient market exists for these materials and if feasibility studies indicate satisfactory economics.

The Company intends to proceed with an engineering study and market analysis to more fully assess the deposit on the basis of:

1. Determination of the size, attitude and quality of the deposit and of the mining methods and costs which in all probability will require at least 1,000 feet and possibly more of core drilling as an initial investigation.
2. Determination of availability and cost of satisfactory transportation.
3. Determination of present, and a forecast of the future markets and competition within the area of influence of the deposit.
4. Determination of the economics of producing sulphur, cement and related by-products from Gypsum in the region of the deposits.

The cost of a preliminary study to include the foregoing recommendation is estimated as follows:

(a) Diamond drilling 1000 feet at \$15.00 per foot	\$15,000.00
(b) General field supervision and field studies	8,000.00
(c) Preliminary studies for items, 2, 3 and 4, above	7,000.00
TOTAL	<u>\$30,000.00</u>

The Company has been advised that the following are the shareholders of Mountain Gypsum Limited:

Murdo C. McLeod, 1105 Council Way, S.W., Calgary, Alberta.	5,000 common shares 2,000 preferred shares
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John M. Taylor (deceased), 318 - 23rd Avenue, S.W., Calgary, Alberta.	2,000 common shares 15,000 preferred shares
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William A. Breukelman, 1801 Stonepath Crescent, Cooksville, Ontario.	1,100 common shares 2,500 preferred shares
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Frank Stover, Strasburg, Virginia, U.S.A.	1,000 common shares 5,000 preferred shares
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William Hahn (deceased), 513 - 7th Street S.W., Calgary, Alberta.	100 common shares 250 preferred shares
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Jack Lowan, 5408 Thornbrier Road, Calgary, Alberta.	100 common shares 250 preferred shares
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A. E. Norton, 2704 - 10th Street S.W., Calgary, Alberta.	200 common shares
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Calvin Lowry (deceased), Blackie, Alberta.	100 common shares
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Milo Good, Acadia Valley, Alberta.	100 common shares
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Gaylen Jones, 1328 - 7th Street N.W., Calgary, Alberta.	200 common shares
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Messrs. McLeod and Breukelman, who are the Promoter and Vice-President respectively of the Company, have held their interests in Mountain Gypsum since 1961.

Mr. M. C. McLeod who is also Promoter of the Company, has been granted an option by the executors of the Estate of John M. Taylor to purchase 2,000 common shares and 15,000 preferred shares of Mountain Gypsum Limited for the sum of \$12,000. Mr. McLeod has agreed to sell 50% of these shares to Keith Revill, the President

of the Company for \$6,000. and the balance of the shares to John C. McCall, 14 Lloyd Manor Road, Toronto, Ontario for \$6,000., payable as to 50% by each of the foregoing within 30 days of acceptance of this Prospectus by the Ontario Securities Commission and the balance within 150 days of such acceptance.

The Company has been advised by Mountain Gypsum Limited that the following sums have been directly expended by them since 1961 on or in connection with the claims:

Professional Engineering Services (including the cost of obtaining the said report by Mr. Knight)	\$3,000.00
Surveying	7,752.00
Estimated Initial Staking Expenses (helicopter and miscellaneous)	2,000.00
Renewal of Claims	6,900.00
Estimated Telephone Expenses	700.00
Estimated Travel and Marketing Studies	5,000.00
TOTAL	\$25,352.00

DESCRIPTION OF CAPITAL STOCK

The common shares comprise the Company's only class of stock. All shares issued by the Company rank equally as to dividends. There are no indentures or agreements limiting the payment of dividends. All shares issued by the Company rank equally as to voting power, one vote for each share. At all special or general meetings of the Company two shareholders present in person and representing not less than 10% of the issued shares of the Company either in person or by proxy constitute a quorum. The by-laws of the Company provide that at meetings of the shareholders a resolution may be voted upon by a show of hands unless a poll is demanded by a shareholder. On a show of hands every shareholder present in person shall have one vote. Upon a poll each shareholder who is present in person or represented by proxy shall be entitled to one vote for each share in respect of which he is entitled to vote at the meeting and the result of the poll should be a decision of the Company in annual or special meetings, as the case may be, upon the question. In each case in the event of a tie vote the Chairman has a second or deciding vote. There are no conversion rights and there are no special liquidation rights, pre-emptive rights or subscription rights. The presently outstanding capital stock is not subject to any call or assessment and the shares offered hereby when issued and sold as described in this Prospectus will not be subject to any call or assessment.

CAPITALIZATION

Designation of Security	Number Authorized by Letters Patent	Number outstanding as of date of Balance Sheet contained in this Prospectus	Number outstanding as of January 6, 1969	Number to be outstanding if all securities being issued are sold*
Common shares	5,000,000	2,856,889	2,856,889	3,606,889
\$1.00 par value	(\$5,000,000)	(\$522,759)	(\$522,759)	(\$647,759)

* This amount will be received providing all the optioned shares are purchased by the Underwriter-Optionee. This amount does not reflect the proposed issue of 500,000 shares to Mountain Gypsum Limited, as set out under "Business and Properties".

OFFERING

The Company has entered into an agreement bearing formal date of January 6th, 1969 with Annett Partners Limited (herein referred to as "the Underwriter-Optionee") whereby the Underwriter-Optionee acting on behalf of Alness Investments Limited (herein referred to as "the client") has agreed to purchase the following shares of the Company:

Underwritten Shares

Number of Underwritten Shares	Price Per Share	Net Amount to be Received by the Company
500,000 shares	15¢	\$75,000.

The purchase price in the amount of \$75,000. is payable within three business days after receipt of advice from the Ontario Securities Commission, in the usual form, that a prospectus of the Company reflecting the terms of the said agreement has been accepted (which date is hereinafter referred to as the "effective date"). In consideration of the Underwriter-Optionee acting solely on its clients' behalf, underwriting the foregoing shares, the Company has granted the Underwriter-Optionee the following options:

Optioned Shares

<u>Number of Optioned Shares</u>	<u>Price Per Share</u>	<u>Time within which option exercisable, calculated from effective date</u>	<u>Net Amount to be received by the Company</u>
250,000	20¢	3 months	\$50,000.

As set out on the cover page of this Prospectus the shares covered by the offering will be offered by the Underwriter-Optionee on behalf of the client, to the public at the market price from time to time prevailing within the maximum offering prices as set out in the table on the cover page.

The only person holding a greater than 5% interest in Alness Investments Limited is:

Martin B. Fremont,
321 Chaplin Crescent,
Toronto, Ontario.

To the knowledge of the signatories hereto, there are no sub-option or sub-indemnity agreements in existence, affecting the shares of the Company, offered hereunder.

By resolution of the Board of Directors dated February 26, 1968 Mr. A. S. Bayne, P.Eng. was granted an option to purchase 25,000 shares of the capital stock of the Company on the basis set out in the following table.

<u>Number of Shares</u>	<u>Purchase Price</u>	<u>Expiry Date</u>
25,000 common shares par value \$1.00	20¢ per share	February 26th, 1970

(Refer to Note 3 in the Financial Statements).

The market value for the Company's shares on February 26th, 1968 on the Toronto Stock Exchange ranged from a high of 20¢ to a low of 17½¢. The market value for the Company's shares as at the date of this Prospectus, trading over the counter was approximately bid 18¢, asked 20¢.

Voting Trust & Escrow Agreement re Shares Issuable for Cristo claims

Pursuant to the terms of a Voting Trust Agreement dated January 6th, 1968 between Mountain Gypsum Limited, Calgary, Alberta and Crown Trust Company, 302 Bay Street, Toronto, Ontario, Mountain Gypsum has agreed to place all of the 500,000 shares of the Company issuable to acquire the Cristo claims in a Voting Trust for a period of two years from the date of this Prospectus.

By the terms of said Voting Trust Agreement, the present Board of Directors will have the right to vote said shares during the currency of the agreement and Mountain Gypsum will relinquish their voting rights to implement the terms thereof.

The said 500,000 shares will be held in escrow by Crown Trust Company, 302 Bay Street, Toronto, Ontario, subject to release from escrow and the said voting trust and subject to transfer, hypothecation or alienation within the escrow and voting trust only on the written consent of the Ontario Securities Commission and the Board of Directors of the Company.

Mountain Gypsum Limited have agreed with the Company that in the event the commercial potential of the Cristo claims is not demonstrated within two years from the date of this Prospectus, all of the 500,000 shares of the capital stock of the Company issued to Mountain Gypsum Limited to acquire the Cristo claims will be returned to the Company for the benefit of the Company's treasury, and the Company will return the properties to the vendor. The said two year period is subject to extension on the written consent of the directors of the Company and the Ontario Securities Commission.

Designation of Class	Number of Shares in Escrow as at January 6, 1969 *	Percentage of Class
Common shares par value \$1.00	Nil	Nil

* Subsequent to the issue of the 500,000 shares to acquire the Cristo claims, all of which will be escrowed, such escrowed shares will represent approximately 13% of the issued capital of the Company including the underwritten shares.

PRIOR SALES

During the past twelve months the Company's consultant A. S. Bayne, P.Eng., exercised two options comprising 25,000 shares each, all at the price of 15¢ per share. Mr. Bayne exercised his option on the first block of 25,000 shares and the treasury of the Company received the sum of \$3,750. The option on the second block of stock was exercised by Mr. Bayne to reduce the Company's liability to him for services rendered by the equivalent of \$3,750. Mr. Bayne's account for professional services rendered to the Company from July 1st, 1966 to February 29th, 1968 amounted to \$4,406.09, which as aforesaid was reduced by \$3,750 leaving a balance owing as at February 29th, 1968 of \$656.09. Reference is also made to item 2 of "Interest of Management and Others in Material Transactions".

The foregoing 50,000 shares have been sold by Mr. Bayne.

By resolution dated February 26th, 1968 a further option on 25,000 shares at 20¢ per share was granted to Mr. Bayne, exercisable over a two year period.

Reference is also made to the issue of 150,000 shares to Malartic under "Business and Properties".

USE OF PROCEEDS

The net proceeds to be received by the Company from the sale of the underwritten shares will amount to \$75,000. less the expenses of this offering estimated at \$6,000. There is no assurance that any of the 250,000 shares under option and referred to under the caption "Optioned Shares" will be purchased but if all of the said shares are purchased the Company will receive an additional \$50,000. The net proceeds to be received from the underwritten shares will be used to pay current liabilities, in the amount of \$30,458. general operating expenses and to defray the costs of the proposed exploration programme on the Cristo claims being acquired from Mountain Gypsum referred to under the caption "Business and Properties" estimated to cost \$30,000.

Excess moneys will form part of the general working capital of the Company to be used for general operating expenses. While the Company has no immediate plans in this regard at the present time, moneys in its treasury as available may also be used to defray the cost of the programmes of acquiring, staking, exploring and developing other properties either alone or in concert with others and to generally carry out explorational programmes as opportunity and finances may permit, but moneys will not be expended on any new properties acquired without an amendment to this Prospectus being filed and accepted if the securities of the Company are then in the course of primary distribution to the public.

DIRECTORS AND OFFICERS

The following are the particulars with respect to the present management of the Company:

NAMES AND ADDRESSES	POSITION WITH COMPANY	PRINCIPAL OCCUPATION
Keith R. Revill, R.R. 6, Guelph, Ontario.	President and Director	Assistant to the President, Philco Corp. of Canada Ltd., Toronto, Ontario and since June, 1967, Vice-President, Canada Cabinet and Furniture Co. Ltd., Waterloo, Ontario.
William A. Breukelman, 1801 Stonepath Cres., Cooksville, Ontario.	Vice-President and Director	Professional Engineer, Vice-President and Secretary-Treasurer, Fischer & Porter, Canada, Ltd., Toronto, Ontario and since October, 1967, President of same.
J. Paul Brisbois, C.A. 39 Craigmere Drive, Willowdale, Ontario.	Secretary-Treasurer	Corporate Secretary with Perry-Pattison Limited, Corporate Secretaries.

* George D. Pattison, R.R. 2, Aurora, Ontario.	Director	Vice-President of Perry-Pattison Limited, Corporate Secretaries.
* Robert D. Bell, 7 Himount Drive, Willowdale, Ontario.	Director	Secretary-Treasurer of Perry-Pattison Limited, Corporate Secretaries.
David R. Vine, 27 Elmthorpe Road, Toronto, Ontario.	Director	Barrister and Solicitor, 80 Richmond Street W., Toronto, Ontario.

* *George D. Pattison* holds the following positions: —

- (1) Director and Vice-President (Administration) International Mogul Mines Limited.
- (2) President and Director of North Coldstream Mines Limited.
- (3) Director and Secretary-Treasurer of Manitou Barvue Mines Limited.

Robert D. Bell holds the following positions: —

- (1) Director and Vice-President (Finance) of International Mogul Mines Limited.
- (2) Director and Secretary-Treasurer of North Coldstream Mines Limited.
- (3) Director and Secretary-Treasurer of North Rankin Nickel Mines Limited.

The aforesaid officers and directors have held their stated callings for more than the past five years, save and except J. Paul Brisbois who joined Perry-Pattison Limited in July 1967. He was employed as a Chartered Accountant with Thorne, Gunn, Helliwell & Christenson between August 1966 and July 1967. Prior to August 1966, Mr. Brisbois was a student. Messrs. Brisbois, Pattison and Bell are directors and officers of a number of mining companies.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

No director or senior officer of the Company has received any remuneration during the past financial year save remuneration to Perry-Pattison Limited and to Mr. Bayne as set out under the following heading, and save as there disclosed the Company does not propose at the present time to pay any remuneration either to officers or directors as such. However, officers and directors are entitled to be reimbursed with respect to out-of-pocket expenses incurred by them in the performance of their duties.

INTEREST OF MANAGEMENT IN MATERIAL TRANSACTIONS

1. Messrs. G. D. Pattison and R. D. Bell, officers and directors of the Company are officers and directors of Perry-Pattison Limited. Mr. Brisbois, an officer of the Company is an officer of Perry-Pattison Limited. The Company's secretarial services have been performed by Perry-Pattison Limited, Corporate Secretaries, 25 Adelaide Street West, Toronto, Ontario for a fee of \$200. per month, and the Company is indebted to Perry-Pattison Limited as at October 31st, 1968 in the amount of \$1,500.00, which constitutes part of the current liabilities to be paid out of the current financing.

2. The Company has also retained since July 1st, 1966, A. S. Bayne, P.Eng. as consultant on its Dubuison Township property at a fee of \$100. per month. Mr. Bayne's account for professional services from July 1st, 1966 to February 29th, 1968 amounted to \$4,406.09, which was reduced by \$3,750 through the issue of 25,000 shares at 15¢ per share, pursuant to the exercise of a stock option by Mr. Bayne. The Company remains indebted to Mr. Bayne for the balance i.e. \$656.09 plus his retainer of \$100.00 per month between March 1st and October 31st, 1968, totalling \$1,456.09, which amount will be paid out of the current financing. Mr. Bayne presently holds an option to purchase 25,000 shares at 20¢ per share as set out under the heading "Prior Sales".

3. Reference is also made to item 3 of the heading "Material Contracts" for details of the agreement dated September, 1968 pursuant to which M. C. McLeod, the Promoter of the Company vended a 50% interest in certain unpatented mining claims, to the Company for \$1.00 consideration.

PRINCIPAL HOLDERS OF SECURITIES

As at the date of this Prospectus the Company is not aware of any person or company who owns of record or beneficially, directly or indirectly, more than 10% of the common shares of the Company. Reference is made to "Business and Properties" for particulars of the transaction pursuant to which Mountain Gypsum Limited will hold 500,000 escrow shares of the Company, representing approximately 13% of the issued shares of the Company, including the underwritten shares.

PROMOTERS

Murdo C. McLeod, 1105 Council Way S.W., Calgary, Alberta, for the past two years has assisted the Company in maintaining its corporate existence when the Company had a deficit working capital position. During this time Mr. McLeod advanced \$5,500. to the Company to pay certain accounts payable, and will be reimbursed from the proceeds of the current financing. Mr. McLeod may be considered to be the promoter of the Company by virtue of the statutory definition of the word "Promoter".

PENDING LEGAL PROCEEDINGS

There is an outstanding judgement against the Company in the amount of \$503.50 plus costs of approximately \$75. arising under a Writ of Summons in the County Court of the County of York, Province of Ontario, between Paul Lynden as Plaintiff and the Company as Defendant. This amount is included in the accounts payable which will be settled out of the proceeds from the sale of shares offered hereunder.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The Auditors of the Company are Messrs. G. H. Ward & Partners, Chartered Accountants, 111 Richmond Street West, Toronto, Ontario.

The Registrar and Transfer Agent of the Company is the Crown Trust Company, 302 Bay Street, Toronto, Ontario.

MATERIAL CONTRACTS

The material contracts entered into by the Company within two years prior to the date of this Prospectus, copies of which may be inspected at the head office of the Company, Toronto, Ontario during normal business hours, while the shares offered hereunder are in the course of primary distribution are as follows:

1. The underwriting and option agreement dated January 6, 1969 between the Company and the Underwriter-Optionee referred to under "Offering".
2. Agreement dated August 15th, 1968 between the Company and Malartic Gold Fields (Quebec) Limited, particulars of which are set out under "Business and Properties".
3. Agreement dated September 28th, 1968 between the Company and Mountain Gypsum Limited covering the purchase of the five Cristo mineral claims, particulars of which are set out under the heading "Business and Properties".
4. Agreement dated September 1967, between the Company and Murdo C. McLeod re the acquisition by the Company of a 50% interest in 10 claims in Semple Township, Montreal River Mining Division, Province of Ontario, detailed under "Business and Properties".
5. Voting Trust and Escrow Agreement referred to under the heading "Voting Trust & Escrow Agreement".

PURCHASERS' RIGHT OF WITHDRAWAL AND RESCISSION

Section 63 and 64 of The Securities Act, 1966, Ontario contains certain provisions enabling a purchaser of securities offered in the course of primary distribution to rescind the contract of purchase:

- (a) While the purchaser is still the owner of the securities, if the prospectus and any amended prospectus, as of the date of receipt by the purchaser, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading, in the light of the circumstances in which it was made but only if action is commenced within 90 days from the last to occur of the receipt of the prospectus or amended prospectus or the contract of purchase; and
- (b) If the person or company from whom the securities were purchased is notified in writing or by telegraph of the purchaser's intention to rescind not later than midnight of the second day, exclusive of Saturdays, Sundays and holidays, after receipt by the purchaser of the prospectus or amended prospectus. A prospectus or amended prospectus sent by prepaid mail is deemed conclusively to be received in the ordinary course of mail. The receipt thereof by a person or company acting as agent or who thereafter commence to act as agent of the purchaser shall be receipt by the purchaser as of the date of the agent's receipt thereof; however, for the purposes of the foregoing, a person or company is not considered to be acting as agent of the purchaser unless the person or company is acting solely as an agent of the purchaser and has not received and has no agreement to receive compensation from or on behalf of the vendor with respect to the purchase and sale. This right of rescission is not available to a registrant or to a purchaser who sells or otherwise transfers beneficial ownership of the securities purchased before the expiration of the time within which rescission may be effected.

OTHER MATERIAL FACTS

The shares of the Company were formerly listed on the Toronto Stock Exchange. The shares were suspended from trading on October 18, 1968 because, in the opinion of the Exchange, the Company had less than \$25,000. net liquid assets and had failed to carry out directly or indirectly exploration or development work for a period of one year under the Exchange's published policy. The shares remain suspended until the Exchange is satisfied as to the financial condition and programme of work of the Company. If the Exchange is not so satisfied by the expiry of one year, the shares of the Company will be removed from the trading list of the Exchange.

AUDITORS' REPORT

**TO THE DIRECTORS,
PROBE MINES LIMITED.**

We have examined the balance sheet of PROBE MINES LIMITED as at October 31, 1968 and the statements of Deferred Pre-Production Expense and Source and Application of Funds for the six months ended on that date, for the six months ended October 31, 1967 and for the five years ended April 30, 1964 to 1968 inclusive. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at October 31, 1968 and the results of its operations for the periods and the years stated above.

**TORONTO, Ontario
January 6th, 1969**

**G. H. WARD & PARTNERS
Chartered Accountants**

PROBE MINES LIMITED

BALANCE SHEET

As at October 31, 1968

ASSETS

CURRENT

Cash in trust bank (Note 2) \$ 21,000

NON CURRENT

Investments

8,400 shares of Lake Superior Mining Limited at nominal value (no
quoted market value) \$ 1

Mining claims, at cost

Kidd Township \$ 80,000

Dubuisson Township 11,000

Semple Township 1

91,001

Deferred pre-production expense

Organization and administration 179,679

Exploration and development 332,056

511,735

602,737

\$623,737

LIABILITIES

CURRENT

Bank loans \$ 3,698

Accounts payable and accrued 25,060

Loan from director 1,700

\$ 30,458

SHAREHOLDERS' EQUITY

CAPITAL

Authorized: 5,000,000 shares, par value \$1.00 each \$5,000,000

Issued: 2,856,889 shares (Note 2) \$2,856,889

Less: Discount thereon (Note 2) 2,334,130

522,759

Contributed surplus, arising from re-organization — no change 598,108

Deficit: Claims abandoned and losses on investments (527,588)

593,279

\$623,737

The notes are a part of the financial statements.

Approved by the Board:

K. R. Revill
Director

W. A. Breukelman
Director

STATEMENT OF DEFERRED PRE-PRODUCTION EXPENSE

For the six months ended October 31, 1968 and 1967
and the five years ended April 30, 1964 to 1968 inclusive

	6 Mos. Oct. 31, 1968	Year Ended Apr. 30, 1968	6 Mos. Oct. 31, 1967	YEARS ENDED APRIL 30,			
				1967	1966	1965	1964 (Cusco Mines) (Limited)
ORGANIZATION AND ADMINISTRATIVE							
Balance at beginning of period							
Add: Expenditures during the period per details on Statement of Source and Appli- cation of Funds	\$172,209	\$164,172	\$161,964	\$148,695	\$125,877	\$102,575	\$ 89,109
Balance at end of period	<u>7,470</u>	<u>8,037</u>	<u>2,208</u>	<u>13,269</u>	<u>22,818</u>	<u>23,302</u>	<u>13,466</u>
	<u>\$179,679</u>	<u>\$172,209</u>	<u>\$164,172</u>	<u>\$161,964</u>	<u>\$148,695</u>	<u>\$125,877</u>	<u>\$102,575</u>
EXPLORATION AND DEVELOPMENT							
Balance at beginning of period							
Add: Expenditures during the period per details on Statement of Source and Appli- cation of Funds	\$322,556	\$323,629	\$323,609	\$303,638	\$245,232	\$222,191	\$125,634
	<u>9,500</u>	<u>1,725</u>	<u>20</u>	<u>19,971</u>	<u>170,886</u>	<u>23,041</u>	<u>96,557</u>
	<u>332,056</u>	<u>325,354</u>	<u>323,629</u>	<u>323,609</u>	<u>416,118</u>	<u>245,232</u>	<u>222,191</u>
Deduct: Expenditures written off during the period		<u>2,798</u>	<u>—</u>	<u>—</u>	<u>112,480</u>	<u>—</u>	<u>—</u>
Balance at end of period	<u>\$332,056</u>	<u>\$322,556</u>	<u>\$323,629</u>	<u>\$323,609</u>	<u>\$303,638</u>	<u>\$245,232</u>	<u>\$222,191</u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the six months ended October 31, 1968 and 1967
and the five years ended April 30, 1964 to 1968 inclusive

	YEARS ENDED APRIL 30,				
	6 Mos. Oct. 31, 1968	Year Ended Apr. 30, 1968	6 Mos. Oct. 31, 1967	1966	1965
					(Cusco Mines) (Limited)
SOURCE					
Issue of common shares (See notes)	\$ 30,000(A)	\$ 7,500(B)	\$ Nil	\$ 141,250(C)	\$ 224,640(D)
APPLICATION					\$ 125,000(E)
Mining interest acquired	—	1	—	600	200
Deferred Organization and Administrative					
Reorganization costs	1,645	2,147	—	—	19,225
Accounting and secretarial	450	600	695	9,140	1,998
Administrative salary	505	—	600	1,750	—
Advertising	2,100	—	—	3,662	721
Audit and legal expenses	760	2,416	913	700	625
Annual meeting and reports	—	834	—	—	750
Directors' fees	—	—	—	1,275	200
General expenses	—	—	—	3,865	47
Provincial fees	270	74	125	—	160
Rent	—	—	1,374	—	—
Share issue and transfer expenses	1,540	1,766	1,720	2,426	—
TSE filing fees	200	200	134	—	326
	7,470	8,037	2,208	22,818	23,302
Deferred Exploration and Development					
Consulting, engineering and field expenses	500	600	—	44,377	8,733
Diamond drilling and assaying	9,000	400	—	119,306	12,737
Licenses and permits	—	325	20	445	221
Travel and telephone	—	400	—	6,513	1,100
Prospecting	—	—	300	245	250
Re-staking claims	—	—	578	—	—
	9,500	1,725	20	170,886	23,041
	16,970	9,763	2,228	194,304	171,343
(Note 2)					
INCREASE (DECREASE) IN WORKING CAPITAL	\$ 13,030	\$ (2,263)	\$ (2,228)	\$ (53,054)	\$ 53,297
Working Capital Surplus (Deficiency)					
— beginning of period	\$ (22,488)	\$ (20,225)	\$ (17,997)	\$ 68,297	\$ 223
— end of period	(9,458)	(22,488)	(20,225)	15,243	15,000
	(Note 2)				
INCREASE (DECREASE) IN WORKING CAPITAL	\$ 13,030	\$ (2,263)	\$ (2,228)	\$ (53,054)	\$ 53,297
					\$ 14,777

PROBE MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

October 31, 1968

- NOTE 1** The attached Statement of Source and Application of Funds is issued pursuant to the requirements of the Corporations Act and the Securities Act, 1966 of the Province of Ontario. The information relating to the six month periods in the five years 1964 to 1966 has been omitted because same is not readily available. However, the information relating to the fiscal years ended April 30, 1964 to 1968 inclusive and the six month periods ended October 31, 1967 and 1968 has been provided.
- NOTE 2** During the period ended October 31, 1968, the company issued 150,000 common shares in consideration of Malartic Gold Fields (Quebec) Limited undertaking before March 24, 1969, an investigation examination on the company's Dubuissou Township properties to the extent of \$30,000. These funds are held in trust by Malartic and are not available to pay the ordinary liabilities of the company. Of this \$30,000 approximately \$9,000 had been expended by October 31, 1968.
- NOTE 3** At October 31, 1968, an option was held by the company's consulting geologist to purchase 25,000 shares at 20¢ per share. This option has not been submitted for acceptance to the Toronto Stock Exchange.
- NOTE 4** A judgement for approximately \$540 is outstanding against the general assets of the company. This amount has been included in the accounts payable at October 31, 1968.
- NOTE 5** On October 18, 1968 trading in the shares of the company was suspended by the Toronto Stock Exchange because the company had less than \$25,000 net liquid assets and had failed to carry out directly, or indirectly, exploration or development to any appreciable extent for a period of one year.

PROBE MINES LIMITED

NOTES TO STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the six months ended October 31, 1968 and 1967

and for the five years ended April 30, 1964 to 1968 inclusive

- NOTE (A)** See Note 2 to financial statements.
- NOTE (B)** 25,000 shares for \$3,750 cash; 25,000 shares issued and applied to reduce an account payable by \$3,750.
- NOTE (C)** 375,000 shares for total cash consideration \$141,250.
- NOTE (D)** 602,967 shares for total cash \$149,640; 750,000 shares for claims, \$75,000.
- NOTE (E)** 700,000 shares for total cash \$125,000.

Dated January 6, 1969.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966, and the regulations thereunder.

Keith R. Revill
(Chief Executive Officer)

J. Paul Brisbois
(Chief Financial Officer)

ON BEHALF OF THE BOARD OF DIRECTORS

Robert D. Bell

George D. Pattison

PROMOTER

Murdo C. McLeod

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966, Province of Ontario, and the regulations thereunder.

UNDERWRITER-OPTIONEE

ANNETT PARTNERS LIMITED

PER: *T. R. Bradbury*
K. P. Alexander

AR36



PROBE MINES
LIMITED

Annual Report 1969

PROBE MINES LIMITED



Directors and Officers

Keith R. Revill,
President and Director

William A. Breukelman,
Vice-President and Director

J. Paul Brisbois, C.A.,
Secretary-Treasurer

George D. Pattison, C.A.,
Director

Robert D. Bell, C.A.,
Director

David R. Vine, Q.C.,
Director

Promoter

Murdo C. McLeod

Auditors

G. H. Ward & Partners

Bankers

Toronto-Dominion Bank

Registrar and Transfer Agent

Crown Trust Company

Executive Office

34 Adelaide St. West, 3rd Floor
Toronto 1, Ontario
Telephone No. Area Code 416-364-1471

PROBE MINES LIMITED

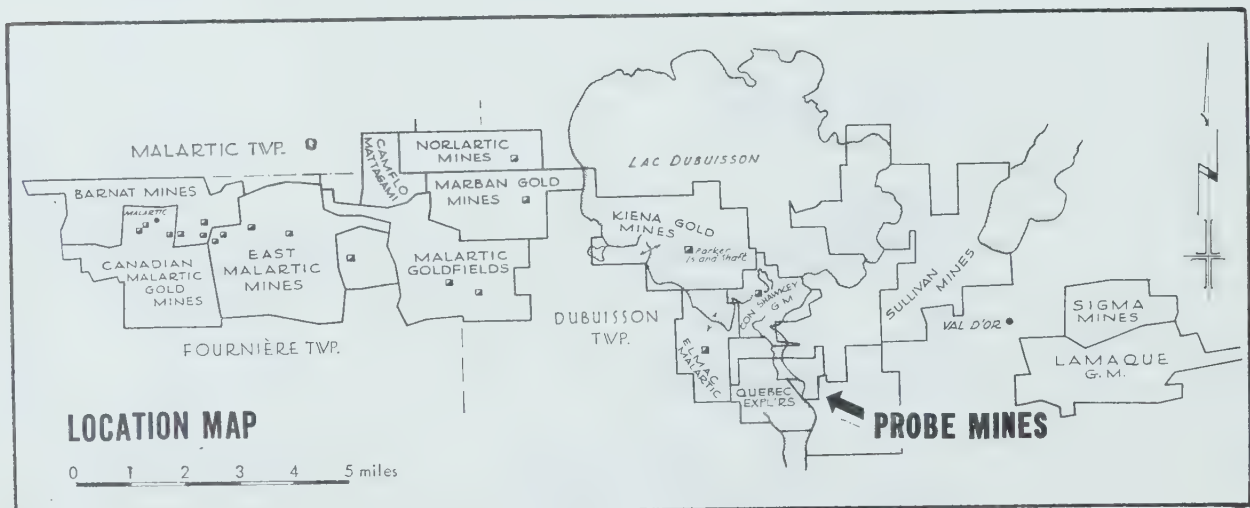


Directors' Report to the Shareholders

Your Directors submit herewith the Balance Sheet of the Company, together with Auditors' Report, Statement of Exploration and Administration Expenditures and Statement of Source and Application of Funds, as at April 30, 1969.

COMPANY'S PARTICIPATIONS

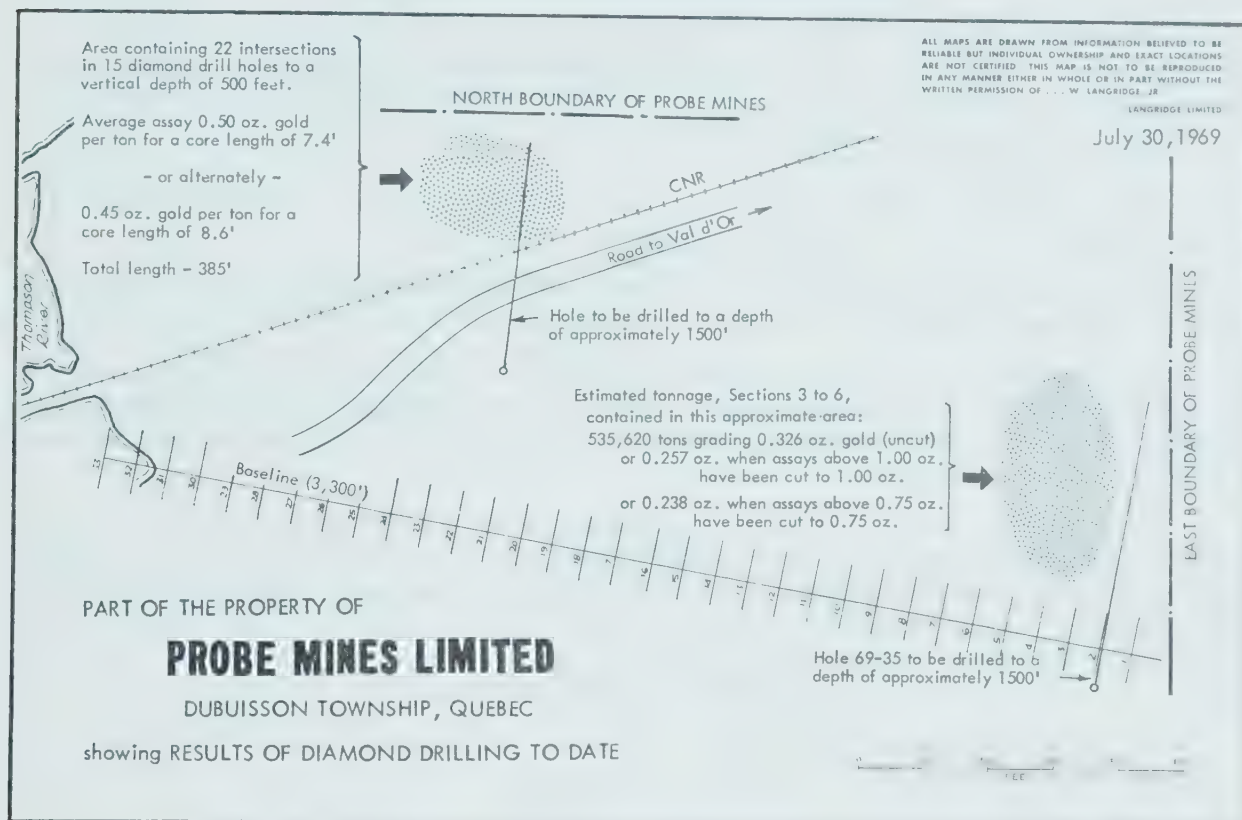
Your Company realized a substantial improvement in its affairs during the period reviewed as a result of new working capital and the signing of agreements with other interests which permitted the undertaking of important exploration programs.



DUBUISSON TOWNSHIP — QUEBEC

During 1968, Probe Mines Limited signed a working option agreement with Malartic Gold Fields (Quebec) Limited on the Company's ten mining claims, totalling 306 acres, in Dubuisson Township, Quebec. Under the agreement Malartic undertook the expenditure of \$30,000 on Stage 1 exploration of the gold-bearing property. This work commenced in August 1968 and Probe agreed to reimburse Malartic by issuing 150,000 of its shares, being the only stock involved under the terms of the entire agreement.

In March 1969 Malartic notified your Company that it proposed to proceed with Stage 2 of the agreement, thereby making a commitment to spend an additional \$80,000 for further surface diamond drilling. At the current date two additional stages of the agreement remain to be implemented. Stage 3, of the undertaking by Malartic, would require a further expenditure of \$200,000 on the property, with Stage 4 calling for a final undertaking by Malartic to finance the property to production. Implementation of Stage 4 by Malartic would involve the incorporation of a new company for the purpose of acquiring the property, developing the same and extracting ore. Probe and Malartic will receive equal interests in the new Company and Malartic would be reimbursed by the new Company for all expenditures incurred in Stages 2, 3 and 4 from 75% of the cash flow of the operation.



After commencing Stage 2 of the exploration program, Malartic announced that diamond drilling had indicated 535,620 tons of ore averaging 0.326 ozs. gold (uncut) and 0.257 ozs. (cut) gold per ton along a 400-ft. length commencing 200 feet from the east boundary.

The following intersections have since been cut in the Stage 2 program:

Hole 69-27, drilled 400 ft. from the east boundary to test the downward extension of the zone, was completed at 1,471 ft. and intersected: 0.18 ozs. over 12 ft. from 920 to 932 ft. and 0.14 ozs. over 11.5 ft. from 950 to 961.5 ft.

Hole 69-28, drilled 400 ft. from the east boundary to test the upward extension of the zone, was completed at 786 ft. and cut 0.16 ozs. over 29 ft. from 513.5 to 542.5 ft. and 0.20 ozs. over 10.5 ft. from 562.5 to 573 ft.

Hole 69-29, drilled 1,300 ft. from the east boundary, was completed without values at 1,343 ft.

Hole 69-30, drilled 900 ft. from the east boundary, was bottomed at 1,153 ft. and intersected 0.32 ozs. over 4 ft. from 657.5 to 661.5 ft. and 0.16 ozs. over 5.5 ft. from 752 to 757.5 ft.

Hole 69-31, drilled 200 ft. from the east boundary, was completed to 1,620 ft. and cut the following: 0.50 ozs. (uncut) over 8.5 ft. or 0.36 ozs. (cut) from 466.5 to 475 ft.; 0.25 ozs. over 3 ft. from 488.5 to 491.5 ft.; 0.18 ozs. over 4.5 ft. from 820.5 to 825 ft.; 0.12 ozs. over 8 ft. from 835 to 839 ft.; 0.24 ozs. over 4.5 ft. from 961.5 to 966 ft.; 0.13 ozs. over 8 ft. from 1,025.5 to 1,033 ft.; 0.41 ozs. over 5 ft. from 1,161 to 1,166 ft.; 0.15 ozs. over 23 ft. from 1,327 to 1,350 ft.; 0.21 ozs. over 20.5 ft. from 1,379 to 1,391.5 ft. and 0.13 ozs. over 10 ft. from 1,505 to 1,515 ft.

Holes 69-32 and 69-33 are yet to be drilled.

Hole 69-34, drilled 800 ft. from the east boundary, was completed at 1,537 ft. and cut 0.46 ozs. over 4 ft. from 1,088 to 1,092 ft.; 2.30 ozs. (uncut) over 3 ft. from 1,117 to 1,120 ft. and 0.28 ozs. over 3.5 ft. from 1,189.5 to 1,193 ft.

Hole 69-35 is now drilling 200 ft. from the east boundary to explore the downward extension of the zone.

Hole 69-36 has yet to be drilled.

Hole 69-37, drilled 2,200 ft. from the east boundary, was completed at 1,000 ft. without values being encountered.

The second rig is now drilling Hole 69-38 at location 2,050 ft. from the east boundary, being 150 ft. east and under Hole 69-37. The hole will be bottomed at 1,500 ft.

Although the known length of the gold-bearing zone on the Dubuissou Township property extends for a distance of 3,300 feet, principal drilling to date on the Stage 2 program has primarily been concentrated on the 400-ft. strike length in an effort to establish tonnage quickly so as to assess shaft sinking and production feasibility.

Earlier drilling on the west end of the zone, being some 1,500 ft. beyond the 400-ft. strike length, returned 22 intersections in 15 holes. The sections averaged 0.50 ozs. gold over 7.4 ft. to a vertical depth of 500 feet. The second drill is now being utilized to re-examine this westerly portion of the property.

ECONOMIC CONSIDERATIONS

In studying the economic feasibility of the Dubuissou Township property, Management has considered the following factors:

1. Malartic owns a 2,200 ton daily capacity mill which is located approximately five miles from the property.
2. Probe's ore can be shipped to the mill by truck at reasonable cost.
3. Malartic owns a mining plant and steel headframe, which are available to open the mine underground, if Stage 4 is proceeded with.
4. The importance of the site being just two miles west of Val d'Or, where there is a source of adequate hydro-electric power and a pool of experienced mining manpower upon which to draw.
5. That the Noranda branch of the Canadian National Railway and an all-weather highway passes through the northerly portion of the property.

BRITISH COLUMBIA-ALBERTA GYPSUM

Probe Mines acquired a 100% interest in a gypsum deposit located on the British Columbia-Alberta border, some 32 miles west of the Alberta Resources Railway at Smoky River, Alberta. The Company's consulting engineer reports that while an estimate of tonnage has not as yet been

calculated, the volume of material appears substantial and the gypsum is considered of high purity, good white color and uniform in quality throughout.

Your Company plans to start a drilling program shortly in order to determine the size, attitude and specific quality of the deposit. In the meantime, the Canadian National Railway Company has agreed to conduct an aerial survey of the route between the deposit and the railhead and recommendations have been made by our Engineer for a market analysis to fully assess the economic feasibility of the deposit.

NICKEL-COPPER PROSPECT — QUEBEC

Probe also holds a 25% interest in a nickel-copper prospect in Decarie Township, Ste-Anne-du-Lac, Quebec, where limited diamond drilling has indicated inconclusive results. Pursuant to the terms of acquisition your Company received 50,000 shares of Renegade Mines Limited and was granted the right to receive an additional 100,000 shares after expending \$20,000 on further work on the property.

TORONTO STOCK EXCHANGE

On October 18, 1968, shares of your Company were suspended from trading on the Toronto Stock Exchange for failure to meet Exchange requirements based on the lack of working capital and insufficient exploration being conducted by the Company.

Your Directors are hopeful that Exchange requirements will be met shortly and the shares reinstated. In the meantime trading in shares is continuing on the Unlisted Market in Toronto.

SUMMARY

At present the Company is adequately financed having earlier this year received \$125,000 from the sale of 750,000 shares of stock from the treasury. With the cost of the Dubuisson Township project being borne by Malartic your Company is now in a position to be able to proceed with other projects should the same become available.

Respectfully submitted

On behalf of the Board of Directors

KEITH REVILL

President.

Toronto, Ontario
August 7, 1969

PROBE MINES LIMITED

(Incorporated under the laws of Ontario)

Balance Sheet at April 30, 1969

(With comparative amounts at April 30, 1968)

ASSETS		1969	1968
Current			
Bank	\$ 1,548		—
Term deposit — 6¾ % due May 7, 1969	75,000		—
Accrued interest receivable	319		—
Deposit, Renegade Mines Limited — (Note 3)	5,500	\$ 82,367	—
Non-Current			
Investments			
8,400 shares of Lake Superior Mining Limited at nominal value (no quoted market value)		\$ 1	\$ 1
Mining claims, at cost			
Kidd Township	80,000		
Cristo claims, British Columbia	75,000		
Dubuisson Township	11,000		
Semple Township	1	166,001	91,001
Deferred Pre-Production Expense			
Organization & Administration	191,688		
Exploration & Development	354,725	546,413	494,765
		<u>\$ 794,782</u>	<u>\$ 585,767</u>
LIABILITIES			
Current			
Bank overdraft	\$ —		\$ 2,548
Accounts payable and accrued	1,503		18,740
Loan from director	—		1,200
		\$ 1,503	22,488
SHAREHOLDERS' EQUITY			
Capital			
Authorized: 5,000,000 shares, par value \$1.00 each	\$5,000,000		
Issued: 4,106,889 shares — (Notes 1 & 2)	\$4,106,889		
Less: Discount thereon — (Notes 1 & 2)	3,384,130		
	722,759		
Contributed surplus, arising from reorganization — no change	598,108		
Deficit: Claims abandoned and losses on investments — no change	(527,588)		
		793,279	563,279
		<u>\$ 794,782</u>	<u>\$ 585,767</u>

The attached notes are an integral part of these financial statements.

Approved by the Board:

KEITH R. REVILL, Director.

W. A. BREUKELMAN, Director.

PROBE MINES LIMITED

Statement of Source and Application of Funds

For the year ended April 30, 1969

(With comparative amounts for 1968)

	1969	1968
Source		
Proceeds from issue of shares (Note 1)	\$ 230,000	\$ 7,500
Application		
Purchase of Mining Claims	75,000	1
Deferred Organization and Administrative Expenses	19,479	10,245
Deferred Exploration and Development Expenses	32,169	1,745
	126,648	11,991
Increase (Decrease) in Working Capital	\$ 103,352	\$ (4,491)
Working Capital Surplus (Deficit) — beginning of year	\$ (22,488)	\$ (17,997)
— end of year	80,864	(22,488)
Increase (Decrease) in Working Capital	\$ 103,352	\$ (4,491)

Notes to Financial Statements

At April 30, 1969

1. Shares issued during the year

	Number of Shares	Consideration	
a)	150,000	\$ 30,000	Diamond drilling and assaying by Malartic Gold Fields (Quebec) Limited, Dubuison Township.
b)	750,000	125,000	Cash
c)	500,000	75,000	Cristo claims, B.C.
TOTALS	1,400,000 shares	\$230,000	

- On April 30, 1969 an option was held by the company's consulting geologist to purchase 25,000 shares at 20¢ per share.
- By an agreement dated May 16, 1969 the company acquired from Renegade Mines Limited a 25% interest in certain claims in Decarie Township, Quebec, and 50,000 shares of Renegade Mines Limited. The consideration was \$7,500 cash of which \$5,500 was paid at April 30, 1969.

AUDITORS' REPORT

To the Shareholders
PROBE MINES LIMITED

We have examined the balance sheet of PROBE MINES LIMITED as at April 30, 1969, and the statements of Deferred Pre-Production Expense and Source and Application of Funds for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at April 30, 1969 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TORONTO, Canada
July 26, 1969

G. H. WARD & PARTNERS
Chartered Accountants

PROBE MINES LIMITED

Statement of Deferred Pre-Production Expense

For the year ended April 30, 1969

(With comparative amounts for 1968)

	1969	1968
Organization and Administrative		
Balance at beginning of period	<u>\$ 172,209</u>	<u>\$ 161,964</u>
Expenditures during the period		
Administrative salary	650	1,200
Accounting	1,000	500
Advertising	505	—
Annual meeting and reports	800	834
Bank charges	52	—
Interest income	(777)	—
Legal and audit	10,657	3,329
Provincial fees	442	74
Rent	50	—
Secretarial office and telephone	4,260	2,342
Share issue and transfer expenses	1,540	1,766
Toronto Stock Exchange fees	300	200
	<u>19,479</u>	<u>10,245</u>
Balance at end of period	<u>\$ 191,688</u>	<u>\$ 172,209</u>
Exploration and Development		
Balance at beginning of period	<u>\$ 322,556</u>	<u>\$ 323,609</u>
Expenditures during the period		
Consulting, engineering and field expense	1,531	600
Diamond drilling and assaying	30,000	400
Licenses and permits	553	345
Travel and telephone	85	400
	<u>32,169</u>	<u>1,745</u>
	<u>354,725</u>	<u>325,354</u>
Deduct: Exploration and development expenditures transferred to deficit	—	2,798
Balance at end of period	<u>\$ 354,725</u>	<u>\$ 322,556</u>

